

Patricia Nuttall-Smith



April 11, 2013

Attn: **International Tax Reform Working Group**

Dear Representative Nunes and Blumenaur,

Thank you for your hard work. I wish you well in your efforts to do right by all whom you represent....

This letter is to draw your attention to some serious unintended side-effects that have resulted from recent measures to combat tax evasion:

Deliberate tax evaders were the target of the measures. It was not foreseen that they could misfire to damage honest citizens, but this is what appears to be happening in the case of Americans living overseas [and also in the case of many legal US immigrants with overseas ties].

For overseas Americans the outcome of these laws has been to demand a massive outlay of time and expense, even when no tax is owed, and to produce a constant fear of disproportionate penalties.

Normal life and planning for the future has become impossible. Instead there are reports of shattered careers, dashed hopes, uncertainty, fear in old age, damaged marriages, financial catastrophe, and - above all - a feeling of having been betrayed by the land that we have loved and respected.

The laws have also weakened the US's ability to secure needed export orders through overseas representatives, which can only harm the US's balance of trade.

Even the simplest of us now have to struggle with complex forms, incompatible tax years, impossible software restrictions for the FBAR, and a general sense of despair. I used to submit my tax forms with a sense of pride at being part of something great and positive, but now I feel like a mouse with a hammer swinging over its head for the rest of its life, too terrified to tackle even the simplest paperwork, and too impecunious to waste thousands of dollars on the "compliance mill" which has been the only real beneficiary of this situation.

I therefore very much support the American Citizens Abroad (ACA)'s proposal for changing to Residency-Based Taxation (RBT), and would urge you to do likewise.

You may be interested to note that ACA's calculations show that RBT would produce MORE revenue for the US treasury, whilst hugely reducing the paperwork burden for both citizens and IRS.

In other words it would be a win-win situation for all involved.

So, please, I urge you, support the ACA's Residency Based Taxation (RBT) proposal.

Thank you very much for your wise consideration of these issues.

Yours sincerely,

Patricia Nuttall-Smith